

## "The Moral Context of Business"

### I

I want to begin my remarks by thanking Dean Terry Maness for inviting me to give this lecture tonight. It is a pleasure to be with all of you, and I am grateful to him for making it possible. I also want to publicly thank him and President Sloan for naming me the Hazel and Harry Chavanne Professor of Christian Ethics in Business. This is indeed a great honor for me. It is something of a tradition that a new holder of such an appointment give an inaugural lecture to the university community. The point of such a tradition is, of course, to give the holder of the professorship an opportunity to provide a public statement clarifying the intellectual direction of his or her work. With modesty appropriate to an ex-provost, that is what I would like to do.

I have entitled this lecture "The Moral Context of Business," and in it I argue that the ethical dimensions of business activity, from the large corporation to the small enterprise, can be fully understood and appreciated only if we have a clear, persuasive account of the meaning and purpose of business in the first place. And such an account requires us to move into theological and metaphysical territory, engaging subjects such as God, creation, the common good, vocation, and sin. The exploration of such matters will help us, I believe, illuminate the moral requirements and virtues that we generally believe should guide our lives, whether at home or work or play, and thus to situate and define the moral context in which business activity takes place. The deep problem that we face in business, both as practitioners and as those preparing to become practitioners, is the fragmented and divided life--the habit, namely, of separating our most important beliefs and convictions that we celebrate on Sundays from the practical realities of work on Mondays. This problem is not peculiar to business—it is the predicament of all modern secular people who daily breathe the ideological air of individualism and relativism—but it is an especially significant problem for business because of the dominant role that business plays in contemporary culture. In short, my thesis is that the activity of business, at its most basic levels, cannot be separated from its moral and religious context, and that it must meet the tests of moral and religious truth every bit as much as the tests of empirical facts and data that normally occupy our business thinking.

### II.

It is important to remember and to acknowledge at the outset the ways that business has contributed to our individual and collective life in America and around the world. American businesses employ approximately 55 percent of all United States citizens in the workforce, with government, education, the professions, and various cultural and religious institutions providing the remaining jobs for American workers. Indeed, business activity constitutes the backbone of an economy that makes possible the high standard of living we enjoy in this country. Business has been responsible for the enhanced technology that has largely replaced the drudgery of most manual labor, a consequence in part of the inventiveness of business and its willingness to take and bear

the burden of financial risk. Furthermore, perhaps no institution in our common life is more efficient in its operations and more rational in its organization than business. No institution is more responsive to the demands of its constituents than business. We must note as well that businesses pay a large share of the taxes that help to support our common defense, ensure safety in our homes and cities, and provide the necessary social services from which we all benefit. And there can be little doubt that most business firms conduct their affairs as good citizens of our various communities.

On the other hand, as we are all aware, business—especially in the form of some major corporations—has been guilty of some outrageous unethical and illegal conduct over the past twenty-five years or so. One thinks of the Ford Pinto case in the late 1970s that exemplified indifference to human safety issues within the American automobile industry; of management fraud in the savings and loan industry in the 1980s; of the insider trading scandals of large financial companies in the early 1990s; of the Ford and Firestone scandals in automobile safety; of cases of management fraud in companies such as Enron, Tyco, and WorldCom; of the avalanche of recent corporate accounting scandals in firms such as Adelphia Communications, Dynegy, Global Crossing, Reliant Energy, and Xerox, and the role played in those scandals by firms, such as Arthur Andersen, that were charged with ensuring the integrity of the accounting process; and of a spate of low-level scams by several major corporations, including a rigged marketing test by the head of Coca-Cola Company's fountain division. Other corporate actions, such as the extraordinary compensation packages of some CEOs, or disregarding environmental issues, while perhaps not illegal in themselves, nevertheless add to the public perception that a significant number of corporations in America today are driven solely by self-interest.

These incidents have led many to conclude that a culture of greed infects much of corporate America today. When asked recently if business maintained a reasonable balance between profits and the common good, 85 percent of the American public answered "No!" A September 2002 poll conducted by Peter Hart Research Associates found that Americans viewed large corporations in a more negative than positive light for the first time since such opinions have been surveyed. The report concluded that "Corporate scandals have left Americans angry at CEOs and skeptical about corporate America."<sup>1</sup> In addition, a survey conducted by the Gallup organization in 1988 revealed that of the ten major institutions in American life, business ranked last in public confidence and trust.<sup>2</sup> This cynicism regarding the institution of business is not only bad for business, but it is also harmful to our wider culture because it encourages the view that NO human institutions can be trusted. From that attitude there is not much of a leap to the broader cynical claim articulated in our culture today, "Everyone should look out for himself, and let the devil take the hindmost."

Can our nation's schools of business do anything to address this state of affairs, at least as it relates to the conduct and culture of business? On the positive side, schools of business across the country have worked hard in recent decades to enhance the quality of their programs, especially those who care about the professional and intellectual standards of their fields. A century ago business programs in our nation's colleges and

universities consisted of little more than a dash of economics, a sprinkling of accounting, and bits of business principles and management. Today, by contrast, all the disciplines and sub-disciplines in business programs are highly specialized and grounded in principles of scientific quantification, particularly taking into account empirical data regarding economic behavior. Students in our business schools, whether undergraduate or graduate, are expected to acquire the skills and knowledge associated with these specialized disciplines. When these students graduate, they are not only "business smart," they are also prepared to manage day to day business operations—the processes of business activity.

However, what is often still lacking in the curriculum of our business schools is a serious engagement with the moral and spiritual values that should inform the purpose and meaning of business. In a recent study of MBA student attitudes, only 22 percent of the respondents said that their schools were preparing them adequately for the ethical issues that arise in management.<sup>3</sup> Such ethical and spiritual issues must be taken seriously within the business curriculum, not because of the special pleading by a few outspoken critics in our universities and in the media, but because these issues are fundamentally important to us as human beings and because our desire to pursue them is deeply embedded in and motivated by our natural desire to understand the human condition, human flourishing, and the common good. For this reason, many academics advocate a strong liberal arts education for all students. The prevailing assumption in many business schools, however—and, in fact, in some universities as well—is that such moral and metaphysical questions are not susceptible to rational and empirical investigation, and hence are by definition private matters best left to "bull" sessions and sermons. This false assumption leads to the reductionist view that the ultimate ends of business activity are finally and of necessity individualistic in nature, that business itself is a mere instrumentality for each person to get whatever he or she can while the getting is good.

To repeat my question, can our schools of business address the value-related concerns of business in order to provide a genuine grounding in what I am calling "the moral context of business"? Fortunately, many recent developments indicate that schools of business are beginning to address these issues. American colleges and universities have offered business ethics courses for at least thirty years, and the number of such courses continues to grow annually. In fact, some accrediting bodies, such as the one for accounting, now require ethics courses for all majors in the respective fields. Many universities have established endowed chairs in the area, including the Chavanne Professor of Christian Business Ethics here at Baylor. This growth in the field of business ethics has also led to the creation of three academic journals and the founding of a national professional association, the Society for Business Ethics.

One of the most thoughtful and influential attempts to address these value-related issues is taking place at the Harvard Business School. Seven years ago, with the strong encouragement of the university administration and after extensive study by and preparation of the faculty, the Harvard Business School substantially revised the MBA curriculum to strike an appropriate balance between values, knowledge, and skills. The

faculty and administration of the Harvard Business School recognized that any university holding a public trust has the obligation to teach more than knowledge and information; it must also provide opportunities for students to engage questions of value because all of life, including business life, continually requires human beings to respond to such questions. The faculty at Harvard understood that value neutrality is not an option. Indeed, there is no such thing as value neutrality. We teach values even when we are silent about them. Therefore, the Harvard Business School developed and implemented a revised MBA program at the heart of which was the required interdisciplinary study of "Leadership, Ethics, and Corporate Responsibility," now called "Corporate Governance, Leadership, and Values." This study comes through a significant module of the curriculum during the first semester of a student's enrollment, but it also spans the entire MBA curriculum. Harvard's vision here is a noble one. As Thomas R. Piper, one of the founders of the program, wrote: "[The goal] is to better fulfill our fundamental responsibility: that is, to educate professional women and men who possess not only certain basic skills and knowledge, and a broad managerial perspective, but also a heightened sense of the moral and social responsibility their education and future positions of power require."<sup>4</sup>

### III.

Implicit in Harvard's undertaking are unstated theological/metaphysical beliefs about human beings and the world. In attempting to provide a general justification for the vision inspiring the new MBA curriculum, Professor Piper employs phrases such as "failing faith" and "the joining of career and purpose," and he writes about overcoming cynicism with "a sense of purpose, worth, responsibility and accountability, and hope."<sup>5</sup> This is the language of moral and religious truth being applied within the context of business. But Harvard's effort is undermined because, as a secular institution, it must avoid all overtly theological and metaphysical commitments. Thus, what I would like to do in the remainder of this lecture is discuss explicitly what I take to be the main lines of a Judeo-Christian understanding of the meaning and purpose of business, supplemented by some complementary themes from the ancient Greek tradition. Through a discussion of these fundamental beliefs and ideas, I hope to clarify what I have in mind by the moral context of business and its implications for business ethics.

First, let us begin with some theological background by recounting what many theologians refer to as simply the "Biblical story," the grand narrative of God's relationship to all the world. According to scripture, God created "the heavens and the earth." From this it follows, as the Psalmist said, that "[t]he earth is the Lord's and the fullness thereof, the world and those who dwell therein." Regarding human beings we are told that God "created humankind in his own image, in the image of God he created them; male and female he created them" (Genesis 1:27). Furthermore, God gave these human beings a special responsibility to "have dominion over the fish of the sea, and over the birds of the air, and over the cattle, and over all the earth" (1:28). This dominion is not to be understood as ownership, but as stewardship, for the earth is the Lord's, not ours. According to scripture, the work given to man is good; indeed, God Himself worked, creating the heavens, the earth, and all therein, and on the seventh day of

creation, God rested. Later in the story, we are instructed to worship God and God alone, to obey His commandments, and to live in covenant with Him and with one another. However, we humans turned away from God, worshipping the creation rather than the creator. This sin not only separated us from God, but also caused us to be unfaithful stewards of the earth and its resources. Our idolatry—our disobedience to God's commandments to worship Him alone and to love our neighbors as ourselves—has left us humans in a moral and spiritual morass and thus at odds with the very nature of things. God's plan of redemption comes through the people of Israel and through His own son, Jesus of Nazareth, the one person who is both fully human and fully divine. His life, death, and resurrection made reconciliation with God possible and thus, through the Holy Spirit and in fellowship with other believers, we are given purpose and hope in this world and for the next.

There is much more to the Biblical story than this, of course. I have given only a sketch, and many more details might be filled in.<sup>6</sup> But if we believe this story, we can see within it an implicit theological/metaphysical foundation for a rich understanding of the meaning and purpose of business. What are these underlying and grounding convictions? First, since God is the creator, the earth is the Lord's, and He has commissioned us to take care of His world and of "those who dwell therein." Second, since we are called to be stewards of all that God has entrusted to us, we must use the just institutions established within society to facilitate that stewardship. Third, all worldly goods are a gift of God, and thus we must be good stewards of our economic resources while at the same time avoiding the desire to be rich, for, as the Apostle Paul wrote, "the love of money is the root of all evils." Fourth, because sin works actively in all of us, the stewardship we are called by God to render can be systematically corrupted by self-interest and the love of material things. We should not be deluded either by the pretensions of our own self-righteousness or by the illusion that the world of business is essentially value neutral. Fifth, because the freedom from such corruption is found in Christ, the Christian believer needs ongoing fellowship and worship in the life of the church.<sup>7</sup>

In the Christian tradition, we use the word "economy" to refer to God's plan for the ordering and management of our material well being within a world which, on the one hand, God has created, but which, on the other hand, is broken and undone by human sinfulness. Taken in its simplest sense, the economy is that set of complex structures and activities that has as its purpose the governing of our business and working life in its totality, under the authority of God. Seen in this way, the economy is an institution alongside other institutions, such as the family, the church, government and law, hospitals and other health-related organizations, and cultural entities, such as the university, that God has established for the survival and flourishing of the human race. None of these institutions exists merely for itself. All exist for the good of humankind and the glory of God, are related to one another in significant ways, and reflect overall the "Divine Economy" of God's governance of the whole world in light of the human condition.

As a specific institution, the economy, as understood in the Judeo-Christian tradition, has as its guiding and foundational starting point the grounding convictions I

have already noted: that God is the creator of heaven and earth; that this world is His, not ours; that what we possess, including our wealth, is a gift from God; that we are charged by God to be good stewards of all that has been given and entrusted to us; that our labor and talents are to be offered in service to others, not merely in service to ourselves; that our work is the primary means by which we exhibit our stewardship of the earth and our service to others; that our tendency to self-love often causes us to fail in our responsibility to be good stewards; that we commit idolatry by worshipping the creation—material things, for example—or parts of it—money, for example—rather than the creator; and that the church, if it is to be relevant to our lives, must be a genuine community that not only calls us to the worship of the one true God, but also convicts us of our idolatry and self-love. Taken together, these foundational beliefs constitute the moral and spiritual framework for our lives in the economy, what I am calling the moral context of business.

Some may object at this point that (1) all these so-called "convictions" cannot be rationally believed, at least for us modern human beings; that (2) since apparently only a small number of people actually hold and live by these views, it would be foolish to take them seriously; and that (3) if one were to adopt such convictions, he or she would be palpably disadvantaged in the workplace—to put the matter bluntly, that he or she would appear naive and a bit foolish, a perpetual pauper as a Christian in business. My reply to the first objection is that these grounding convictions arise not out of mere suprarational mystery, but out of the living history of Israel and Jesus of Nazareth, as portrayed in the Biblical drama and as validated by two centuries of theological tradition and the moral teachings of the church. Yes, to believe in God and in the truth of the Biblical story is ultimately a matter of revelation and faith, but such belief is not without both rational and empirical evidence, as the testimony of the Christian ages attests. With regard to the second objection, no matter how few or how many people in the workplace actually live by these convictions, the Judeo-Christian understanding of business and the workplace nevertheless contains the truth with respect to all the fundamental and normative issues underlying the economy, irrespective of the historical time, place, or circumstance. And, finally, because I believe genuine and fully relevant truth is in this understanding, I do not think one would necessarily be disadvantaged in the workplace, although certainly at times one will need to make real sacrifices and may sometimes be considered naive. But this fact characterizes the life of Christian integrity in all spheres of human endeavor, not just within the economy.

I suspect that many people, perhaps the typical businessperson, might raise a fourth objection: that it is simply foolish for anybody in business to be concerned at all about theological notions and moral issues. Business is just business, they say. It has its own principles, methods, and practices, quite apart from theology and metaphysics. Business is sort of a game, with its own rules and system of scoring. One's primary goal in the game of business is to win against competitors, which means, at the least, to maximize profits for oneself or for the corporation and its shareholders. This line of thinking argues that as long as this is done within the law and with a sense of enlightened self-interest, one has really done about all that can be asked.

This is a recipe for the divided life, for separating what for most of us is the dominant part of our lives—work—from our most deeply held views about ourselves, others, and the world—about a flourishing life.<sup>8</sup> And the divided life is necessarily an impoverished and diminished life. It undercuts the moral and spiritual meaning of our daily labors, divorcing authentic meaning from our work and relegating it instead to the mere game of business with its rewards: money, possessions, and power. It also removes the grounds for distinguishing between the value of one kind of business over against another. In such a context, selling lottery tickets or pornographic magazines is as justifiable as repairing shoes or manufacturing computers. Moreover, the divided life is in one important respect a wasted life. It is a form of living that assumes that real meaning occurs only in those areas outside of work, in the Little League, in the social club, in the family, in the church, and in the neighborhood. While these aspects of life are vitally important, the one arena of life which occupies more of our waking hours than any other and substantially shapes our self-identity turns out to be largely empty of meaning and purpose.

This picture of the divided life draws us to an additional and central theme of the moral context of business, namely, the concept of vocation or calling. The word "vocation" comes from the Latin *vocatio*, a bidding, invitation, or calling. In the Judeo-Christian tradition, the creator-God of the universe also summons or calls each person not only to a redeemed life, but also to a life of service in a specific work—as a business person, as a doctor, as a homemaker, as a pastor, as an educator, as a student, and the like. Whether we realize it or not, God calls us all, not just priests or pastors, monks or missionaries, but **all** of us, to specific tasks according to the gifts and talents we have been granted by God. The theologian Max Stackhouse helpfully describes the idea of vocation in this fashion:

Vocation is the answer to the question "Why am I?" Everyone has a vocation from God that he or she may choose to follow or ignore. From the calling of Abraham and Sarah, through the calling of the prophets and the apostles, to the profound sense of religious vocation in the Catholic monastic tradition and the sense of the priesthood of all believers of the Reformation, the idea that each of us is put into the world by God for a purpose and called to serve the whole of life in the economy of God is a profound and penetrating insight. It entails the belief that all of us are created in the image of God and that each of us has a role to play in fulfilling God's purpose.<sup>9</sup>

The calling of God is not only to individuals, but it is also, by implication, to institutions and organizations, a truth that Stackhouse emphasizes. He writes, "Schools and colleges, courts of law and hospitals, art museums and research institutes, manufacturing corporations and labor unions, churches and legislatures--all have distinctive vocations. They are called to fulfill certain functions of and for humanity, and they must do so with excellence and clarity of purpose."<sup>10</sup> Importantly, then, God's bidding applies to public and private institutions as well as to individuals. As I hope to show in a moment, this view has significant implications for business.

It is important to understand, then, that the idea of vocation or calling is what links God's purposes, as portrayed in the Biblical drama, to our actual concrete life in the economy. It enables us to integrate faith and work, thus overcoming the divided life. It also expresses the means by which we humans exercise our stewardship of the earth, our own labor, and our responsibility to care for others. Indeed, our vocation is a form of prayer--our way of honoring God in our daily lives. Although the secularists would have us believe that faith is strictly a private matter, hence of no relevance to any public conception of how we see ourselves or our businesses as participants in the economy or in any other aspect of our common life, it is clear that this denial of the moral and spiritual meaning of work is surely a road to nowhere.

#### IV.

A complementary alternative to the Judeo-Christian vision of the economy and an understanding of the moral context of business is that of the Greek tradition as expressed by Aristotle. Aristotle held that "[e]very art and every inquiry, and similarly every action and pursuit, is thought to aim at some good; and for this reason the good has rightly been declared to be that at which all things aim."<sup>11</sup> Aristotle identifies the ultimate good for humans as happiness, defined as a life lived in accordance with intellectual and moral virtue. Aristotle adopted this view because he believed that such a life manifested the highest excellence of human beings. He argued that there can be no greater purpose for human beings than to live a life that fully realizes our natural potentialities as rational and social beings. Such a life, when lived in accordance with perfect virtue, is the meaning of happiness. It is its own end and justification.

Wealth, by contrast, cannot define happiness for us, although Aristotle acknowledges that "the general run of men" identify happiness with pleasure and wealth. But these are the "vulgar type," he declares. Wealth cannot be its own end; we do not desire it for its own sake. It must be seen only as a means, a means that is designed to support the pursuit of the virtuous life, both for individual persons and for the political society. Whatever specific economic activity one engages in should be performed virtuously and should produce goods possessing the quality of excellence. Thus, both performance and product are characterized by excellence. A product is excellent when it conforms perfectly to its function. For example, a cobbler is virtuous when he makes shoes that perform the function of shoes to the highest degree possible. A builder of houses, a carpenter, performs his work well when he constructs buildings that perform the function of physical safety and comfort for families in the best possible way. This is his excellence, his virtue as a builder. The ends or purposes in view are not those associated with the economic gain of the cobbler or builder, but are for the good and virtuous life of everyone. The living out of the moral virtues by the cobbler or builder is the prerequisite of happiness, the good which we all seek.

In the Aristotelean tradition, the moral context of business is seen in relation to human nature and our capacities and inclinations as rational and social beings. Our function in life is to maximize our potentialities as rational and social beings, to live a life of excellence as determined by intellectual and moral virtues. The purpose and meaning



of business is to enhance such a flourishing life, whether the business activity be making shoes, building houses, constructing ships, or farming the land. Artisans, farmers, tradesmen, and shipmasters may not pursue the highest activity of the human soul, the life of the mind, but they nevertheless share in the virtuous life to the degree that they do their work excellently, and thereby actualize their potentialities as human beings.

## V.

Taken together, then, the Christian understanding of the moral context of business, supplemented by the Greek tradition, offers a radical alternative to our individualist idea of society and thus of business. For, in the Judeo-Christian and Greek traditions, human beings are seen as social beings, either created as such by God, as the Biblical story reveals, or else as being communal creatures by nature, as the Greeks held. Our relationships with others are not, therefore, primarily contractual, as many modern secular thinkers believe. That is, our obligations to others are not limited to the formal agreements that we may choose to make with them, as though pre-nuptial arrangements characterize all of life. Rather, we are bonded to one another by nature and by covenant, both giving and receiving in countless ways within human communities of responsibility to one another. Whether as individuals or as businesses, we exist in a state of mutual accountability. This is the meaning of the Biblical idea of covenant, an idea not to be perceived as a burden, but as a gift of God "that bonds the human will to God's justice and to...[our] neighbor[s]."12

What, therefore, does this understanding of the moral context of business tell us about the purpose of business, its ethical self-understanding, and its desired corporate culture? Put differently, what should be the character of the moral life of business, both for the organization and the employees? It should be clear by now that the purpose of business, from a moral and religious standpoint, cannot be reduced to money or profits, whether for oneself or for shareholders. God is our final and lasting good, and this glad fact applies to all human activity, including business, whether this is acknowledged or not. Business is an institution belonging to God's governance of the world, a provision by which we human beings are commissioned to be good stewards of creation and to care for one another, all for our mutual well-being. The calling of business is to participate in this stewardship and to perform its tasks excellently. Yes, profits are necessary to continue to perform this work, at least in our modern economy, but they are not nor should they ever be the priority; they are merely a necessary condition for achieving the tasks at hand. The moral priority of business is and ever will be what we commonly refer to today as the production of goods and services, but not just any goods and services. From the Judeo-Christian point of view, the goods and services we produce must reflect the proper stewardship of and care for the earth, our labor, our wealth, and our neighbors, as portrayed in the Biblical story. Every specific business, therefore, whether large corporation or small enterprise, should have a clear sense of mission which makes plain to its employees and to the public alike how the activity of that business serves the common good. Such a statement of mission need not employ religious language—indeed, it usually will not—but there should be no doubt that the corporation or enterprise

draws its purpose out of the resources of a deeply communal understanding of the ends of business.

Any business with such a sense of moral and religious purpose will seek to accomplish its business tasks in an ethical manner. It will embrace a high code of conduct for itself and its employees, not for public relations purposes but because such a code reflects the integrity of the organization and its expectations of all workers, management and non-management alike. Moreover, any business undergirded by moral and religious purpose will create and sustain a corporate culture distinguished by openness, honesty, respect for all stakeholders, including employees with differentiated vocational goals, and a strong commitment to social responsibility and the covenant that bonds the human family. The corporate culture will also encourage high expectations for members of the organization, not as a means to weed out the less talented, but as an imperative for all to perform work excellently and for the common good. While some employees may have the capacity to work more efficiently and effectively than others, no one should be permitted to perform in a slipshod or indifferent manner--or in disregard for the well-being of others. Such lackadaisical work would not only violate the mission of the business, but it would also constitute unfaithfulness to the divine calling each of us has to be good stewards of all we have, including our gifts and talents.

I want to mention as a final theme the place of virtue in business. A virtuous individual is a person of good and right character, one who possesses the understanding and conviction to do what is right—in the proper way, with the proper spirit, and with the proper end in view—and one who does it faithfully, not just when it is convenient. Within the virtue tradition, courage, temperance, prudence, and justice are the highest moral virtues, and faith, hope, and love are the highest spiritual virtues. For one in business and the workplace, different activities demand different virtues, but whatever virtue is required can be inferred from one of the highest moral virtues. For example, the honesty required of the accountant is a kind of justice; the enterprise required of the farmer or manufacturer is an expression of courage; the discernment of the manager is a form of prudence; the refusal to prey upon the lust of the consumers is a manifestation of temperance.<sup>13</sup> How are these virtues developed? They are developed within the bonds of specific communities that are committed to the common good. If, for example, accountants are to be virtuous—honest—they will best develop that state of character within a community of accountants, the professionals who themselves exhibit the moral practice of honesty in their work.

The virtue tradition of ethics undoubtedly applies to individuals, but is it plausible to speak meaningfully about businesses themselves being virtuous? That is, while it makes sense to say of a given company that it conducts its affairs in an ethical manner, can we also say of a corporation or business enterprise that it is virtuous? I believe we can. When we speak of the ethical conduct of a person or business we are referring primarily to a certain kind of behavior, behavior that conforms to the imperatives of the moral law. It is what we ought to do or ought not to do; or, more precisely, it is what we do or don't do as responsible agents. This suggests that ethical conduct qua conduct represents the external side of the moral life. The virtues, on the other hand, refer

primarily to the internal dimension of the moral life, the character of an agent that produces right and good action or its opposite. As Jesus said, "out of the heart come evil intentions, murder, adultery, fornication, theft, false witness, slander" (Mathew. 15:19). Do businesses have something equivalent to a heart? We often speak of the "soul" of an organization or institution, and what we signify by that expression is the nature and quality of its character, what it is on the inside. The morally relevant inside of a business is defined primarily by its corporate culture and its operational policies. If it is a virtuous company or business, its culture will reveal it—through a sense of shared mission driven by the desire for excellence and the pursuit of the common good; through a commitment to all stakeholders and to its implicit covenant with the human family; and by the existence and felt presence of a moral tone that runs throughout the organization. Its policies will reflect and reinforce this quality of corporate culture through the regulatory guidelines that order the formal life of the business firm.

A truly ethical business, then, is virtuous on the inside and practices what is virtuous and right on the outside. The internal and the external are intimately related, as Jesus explained. But the presence of virtue and the practice of right conduct do not and cannot occur in a theological or metaphysical vacuum, either for the business practitioner or for the student of business ethics. Similarly, for business ethics programs to achieve their purpose, they can not exist in a vacuum. Students may learn to refine their analytical skills or may become more adept at recognizing moral dilemmas—through a sort of "moral reasoning" approach using case studies of moral dilemmas—but without an understanding of the moral context of business they will not have any persuasive grounds for viewing business as part of our stewardship of the earth and our care for our neighbors, or for understanding the nature and justification of the moral life in business.

My hope and dream for the Hankamer School of Business is that we will not only follow the lead of Harvard and consider adopting something like their program in Leadership, Ethics, and Social Responsibility, but also to surpass Harvard by providing our students with a clear religious and moral grounding in the moral context of business. We have every reason to believe that an institution like Baylor—a Christian university—is ideally situated to develop and implement such a program, and thereby to provide national leadership in the field of business ethics. Indeed, we have one potential and considerable advantage over Harvard: We need not be timid about what we are trying to achieve. We are talking about "Christian Ethics in Business," as the title of the Chavanne professorship indicates. Indeed, it is our willingness to commit ourselves to the Christian story that enables us to clarify the moral context of business, and, hence, to be inspired to live out in our business activity the callings we have been given--With courage, integrity, and purpose. Thank you.

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October 6, 2003

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<sup>1</sup> “Poll shows widespread distrust of corporation” (September 2002, Search Archive index, Calendar Directory), p. 1.

<sup>2</sup> Thomas R. Piper, Mary C. Gentile, and Sharon Daloz Parks, *Can Ethics Be Taught?* (Boston: Harvard Business School, 1993), p. 2.

<sup>3</sup> *New York Times* (May 20, 2003), p. C3.

<sup>4</sup> Piper, *et al.*, *ibid.*, p. 11.

<sup>5</sup> *Ibid.*, pp. 3-5.

<sup>6</sup> Christians, because they embrace the Biblical story in its entirety, will be drawn to the theological/metaphysical foundation that I outline next. Many people in other religious traditions—Jews and Muslims, for example—may believe portions of the Biblical narrative as I have described it, while many others—Hindus, Buddhists, and non-believers, for example—may believe very little or none of it. Nevertheless, non-Christians may have other grounds for endorsing the same or a similar theological/metaphysical foundation for business activity. I will not explore those other grounds in this paper, but I recognize the importance of searching for various bridges connecting the religious traditions.

<sup>7</sup> George N. Monsma, Jr., “Biblical Principles Important for Economic Theory and Practice,” in *On Moral Business* (eds. Max L. Stackhouse, Dennis P. McCann, and Shirley J. Roels, with Preston N. Williams; Grand Rapids: Eerdmans Publishing Co., 1995), pp. 38-45.

<sup>8</sup> See Helen J. Alford and Michael J. Naughton, *Managing As If Faith Mattered* (Notre Dame: University of Notre Dame Press, 2001), pp. 7ff.

<sup>9</sup> Max L. Stackhouse, *Public Theology and Political Economy* (Grand Rapids: Eerdmans Publishing Co., 1987), p. 24.

<sup>10</sup> *Ibid.*, p. 25.

<sup>11</sup> Aristotle, *Nicomachean Ethics*, in *The Basic Works of Aristotle* (edited by Richard McKeon, New York: Random House, 1966), p. 935.

<sup>12</sup> Stackhouse, *ibid.*, p. 26.

<sup>13</sup> Alford and Naughton, *ibid.*, pp. 88-94.